

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL
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FOR IMMEDIATE RELEASE: Thursday, May 7, 2015

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Attorney General Sues House Flippers for Serial Shoddy and Unlawful Work, Shares Tips for Home-Buyers and Renovators

Suit against Hofgards Part of OAG's Expanded Efforts to Protect the District's Consumers

WASHINGTON, D.C. – The Office of the Attorney General (OAG) today filed a consumer-protection lawsuit in D.C. Superior Court against Insun and Jefferson Hofgard, a Virginia-based couple who have sold multiple inadequately and improperly renovated properties to homeowners in the District. Their actions have been costly to multiple D.C. residents in terms of repairs to bring the homes up to code as well as potential losses in the value of their homes. The individual costs range from the tens of thousands of dollars to, potentially, more than \$100,000.

The suit accuses the couple of repeatedly:

- Skimping on construction work;
- Using sub-standard materials;
- Making renovations and repairs of sub-standard quality;
- Failing to obtain the proper permits for work done;
- Performing work on homes that includes features for which the homes are not properly zoned, rendering the features worthless;
- Using non-licensed contractors to perform work;
- Neglecting to have the properties properly inspected at the required times;
- And other violations of the District's Consumer Protection Procedures Act and the District's Construction Codes.

"The Hofgards purchased homes, performed substandard and potentially dangerous work on them, and then sold them to District residents for hundreds of thousands of dollars," Attorney General Karl A. Racine said. **"They have taken unlawful advantage of our residents, and we will pursue all legal means to ensure that they are no longer allowed to sell shoddily renovated homes in the District and that they pay the homeowners they've wronged for the work required to fix their properties."**

The suit was filed after investigators from the District's Department of Consumer and Regulatory Affairs (DCRA) investigated multiple complaints against the Hofgards from District residents. DCRA referred the cases

to OAG, which has the ability to file complaints in court against business owners for violations of the District's Consumer Protection Procedures Act and Construction Codes.

"This is a great example of collaboration between DCRA and OAG to protect our consumers in the District of Columbia," Attorney General Racine said. **"We have asked the D.C. Council to re-establish a Consumer Protection Fund for the District to expand our capacity to bring cases like this one as well as other consumer-protection actions for our residents."**

A copy of OAG's complaint against the Hofgards is attached.

FAQs for Home Renovators and Purchasers of Renovated Homes

To better educate and protect consumers, OAG today released a Frequently Asked Questions (FAQ) guide for those considering purchasing a renovated home or hiring contractors to renovate their current home.

Buying a Recently Renovated Home

- Work with a reputable and *knowledgeable* broker who best represents your interests.
- Questions to ask:
 - Was the house/condo recently renovated? If so, was it done according to city codes?
 - Did the seller and contractors obtain the proper permits? If so, do the permits cover the actual work done?
 - Was the home inspected? If so, did it pass?
 - Does anything seem off? Compare the property with the permit records. Still not sure? Contact DCRA at 202-442-4400.
- Have the home inspected by a licensed home inspector:
 - Home inspections are one of the most important aspects of the home-buying process, and a thorough inspection may occasionally reveal problems that are severe enough to seriously concern a future owner.
 - The District's housing market is full of houses and condos that have been recently renovated by developers. The quality of these renovations varies greatly.
 - The biggest potential pitfall when buying a renovated home is whether the developer has covered up significant problems (e.g. mold, cracks in the foundation, a bad electrical system) with drywall or quick fixes. To that end, get your hands on the property report from DCRA's website (www.pivs.dcr.dc.gov).
 - Detailed inspection reports can also be obtained via FOIA request in just 10-15 business days. (<http://dcforms.dc.gov/webform/dcrafoia-request-form>).
- Though more expensive than a home inspector, also consider hiring an engineer to check the home for structural issues.
- Ask the seller if:
 - All work was done by licensed contractors.
 - All work was done in compliance with the District's Construction Codes and zoning laws.
- If possible:
 - Talk to neighbors nearby about their experience with the renovation work on the home you're considering buying.
 - Try to stay away from "as-is" contracts for homes.

- If issues arise after sale that the seller does not want to remedy and of which the seller did not inform you previously, contact the Consumer Protection Division of DCRA at 202-442-4400.

Hiring Contractors to Work On Your Home

- Get multiple estimates.
- Ask questions:
 - Ask to be shown the contractor's business license (all contractors must have a valid District business license).
 - Ask: "How many projects like mine have you completed in the last year or two?"
 - Ask: "Will my project require a permit?" Even simple jobs like decks likely require permits, and you should choose a contractor familiar with the permitting process in the District. Make sure the contract states that it is the contractor's obligation to obtain all necessary permits.
 - Ask: "May I have a list of references?"
 - Ask: "Will you be using subcontractors on this project?"
 - If so, ask: "Do they have valid licenses?"
- Specific areas of work (like electrical, plumbing and roofing contractors) require specific licenses for those respective types of work.

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